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Economic Services Division

Committee on China

(Minutes of the Thirty-ninth Meeting--1400 hours, 6 July 1955)

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Present: Messrs. [REDACTED]

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Guests : Mr. [REDACTED] and Mr. [REDACTED] 25X1A9a

1. The following question was posed for consideration at the next meeting:

"What evidence is there of an economic crisis situation in your sector which will adversely effect the overall economy and therefore the course of Chicom economic, military and political activity?"

Answers should be limited to about fifty words and should be written out for possible inclusion in the minutes of the next meeting or other use as decided by the Committee. The purpose of this exercise is to determine, if possible, the present situation and to examine the effect of possible sacrifices involved in the current military build-up and the possible temptation to military adventures as an answer to current economic problems.

2. The remainder of the meeting was confined to a discussion of the Chinese Communist military buildup in the East China area as an indicator of their intentions regarding the offshore islands.

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